



**EXECUTIVE DIRECTOR**

**Press Release(23)36**  
**(English only)**

**26 May 2023**

**Various sugar related articles**

The Executive Director would like to draw your attention to the articles below all of which are relevant to the sugar sector.

**FoodNavigator.Com**

**DouxMatok rebrands to Incredo, prepares for full commercial availability in Europe**



Israeli sugar reduction pioneer DouxMatok is going through a period change: the company is rebranding to Incredo LTD, has secured \$30m (€27m) in Series C funding, and working to expand its reach on both sides of the Atlantic.

<https://www.foodnavigator.com/article/2023/05/24/douxmatok-rebrands-to-incredo-prepares-for-full-commercial-availability-in-europe>

**'Not in Britain': The future of HFSS snacks under a Labour government**



Labour leader Sir Keir Starmer has ruled out imposing a tax on HFSS (high in fat, sugar and salt) foods, but promises to ban the advertising of 'harmful' junk food and sugary snacks to children if his party is elected to power.

<https://www.foodnavigator.com/article/2023/05/24/not-in-britain-the-future-of-hfss-snacks-under-a-labour-government>

## **Sugar out, fibre in: Beneo's sugar reducer meets high consumer demand for 'healthy indulgent' bakery treats**



The functional ingredients specialist has expanded its sugar reduction portfolio with a short-chain fructooligosaccharide (scFOS) that replaces sugar while adding dietary fibre, enabling producers to capitalise on the growing better-for-you demand.

<https://www.foodnavigator-usa.com/article/2023/05/23/sugar-out-fibre-in-beneo-s-sugar-replacer-meets-high-consumer-demand-for-healthy-indulgent-bakery-treats>

## **A slowdown in food inflation allows consumers to buy more, but many still seek value**



While inflation across food, beverage and other categories continues to take a sizable bite out of consumers' grocery budgets and influence the way they manage their food stocks, a slight slowdown in inflation in recent months has reinforced demand across a few categories, according to data from Circana and crunched by 210 Analytics.

<https://www.foodnavigator-usa.com/article/2023/05/23/a-slowdown-in-food-inflation-allows-consumers-to-buy-more-but-many-still-look-for-value>

## **Ireland to introduce mandatory health warnings and calorie content on alcohol labels**



Ireland is to become the first country in the world to introduce comprehensive warning labels on alcohol products: with new regulations signed into law by the country's health minister yesterday.

<https://www.foodnavigator.com/article/2023/05/23/ireland-to-introduce-mandatory-health-warnings-and-calorie-counts-on-alcohol-labels>

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**Sugaronline – Ebriefing**

**ESTONIA: Sugar tax for drinks could be considered but not in short term**

Estonia’s Minister of Health Riina Sikkut has said that a sugar tax could be considered for sweetened drinks, but not in the near term as there is no consensus in the coalition and it would require public debate, according to ERR News.

A study commissioned by the Ministry of Social Affairs has recommended the sugar tax for sweetened drinks, expecting it to reduce consumption and positively affecting health behavior.

Riina Sikkut said that a sugar tax was considered six or seven years ago, but society was not ready for it yet.

**MALAYSIA: MSM Sugar Refinery completes boiler change to strengthen production**

MSM Sugar Refinery in Johor has completed its second boiler change and has obtained approvals from authorities and regulatory bodies to operate it, according to New Straits Times.

MSM Johor will be able to produce 1 million metric tonnes of sugar annually. The unit is also in the initial phase of a third boiler procurement to strengthen operations.

Parent company MSM Malaysia is working to boost sugar production and exports. It intends to grow its export footprint by 12-15% in the near term.

**AUSTRALIA: Industry expects to crush 30.55 million T of sugarcane this season**

The 2023 sugarcane crushing season has officially started in Australia when the sugarcane growers’ association Canegrowers expects the industry to crush 30.55 million metric tonnes of sugarcane by the end of November, reports Sugaronline.

Sugar production is expected to reach between 4-4.5 million tonnes, most of it to be exported to markets including Japan, South Korea, and Indonesia.

“The weather is pretty spectacular at the minute. We have blue skies and cool temperatures, so perfect weather for harvesting,” said the chairman of Canegrowers Tableland Claude Santucci in a statement released on May 23.

“We had a bit of a cold snap come through a few days ago, so that will help push up the sugar content a bit, although it will be a while before we start getting decent levels. The early cut cane from last year is looking really nice...if we can keep this weather and the mill has a good run, I’m hopeful we can have a pretty good 2023 season.”

The chairman of Canegrowers, Owen Menkens, said sugarcane growers are optimistic that 2023 could be a bumper year for the industry amid record-high sugar prices and a drier winter expected this year.

“Last year, we were pretty optimistic going into the crush, with prices on the up and a great crop in the paddock, but unfortunately things didn’t pan out the way we wanted,” he said.

“Poor weather, workforce shortages, and poor mill performance in some areas combined to cause major disruptions that ultimately led to the crush running through Christmas and well into the new year in some districts, and around one million tonnes of cane left unharvested.”

**GERMANY: Nordzucker’s profit rises 116% rise in 2022/23**

Nordzucker profited EUR182 million (US\$196.2 million) in the 2022/23 financial year, up 116.6% from the previous year, despite challenges including energy crisis, inflation, interrupted supply chains, cost increases and below-average crop yields, the company announced on May 24, reports Sugaronline.

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"The increased production costs due to price increases for energy and auxiliary materials for us and our growers were offset by a higher sugar price level," chief executive officer (CEO) Lars Gorissen said in the company's earnings report.

The company's revenue increased by 16% to EUR2.3 billion (US\$2.5 billion). EBIT (earnings before interest and taxes) rose by EUR97 million (US\$104.6 million) to EUR211 million (US\$227.5 million). The Australian subsidiary Mackay Sugar (MSL), which produces cane sugar, contributed EUR22 million (US\$23.7 million) to this result.

Nordzucker expects "a very good business result for 2023/24", according to CFO Alexander Bott.

"With our projects and initiatives, and also in the context of the current financial situation, we see ourselves well positioned to consistently continue on our path to becoming an even more sustainable company. To this end, we have launched overarching excellence initiatives that optimize our entire value chain and at the same time help to improve earnings," he said.

### **CHINA: Czarnikow says liquid sugar and premix imports reach new high**

China's liquid sugar and premix imports reached 500,000 metric tonnes in the first four months of 2023, up 42% from the same period last year, according to Czarnikow, reports Sugaronline.

In April, China imported a record 179,400 metric tonnes of liquid sugar and premix powder.

Imports could slow down in the second half of the year due to lower supply from Thailand and India, according to analyst Rosa Li, in a report published on May 23.

"Record imports of liquid sugar and premix depend on sugar supplies from Thailand and India. Thailand accounts for 97% of the liquid sugar imports and 77% of the premix. And Indian sugar dominates the production of premix powder in comprehensive bonded zone," she wrote.

"Due to regulatory risks and high sugar prices, we think producers may not have contracted much sugar ahead of time. As a result, the imports of liquids and premix could tone down in the second half of the year."

### **EUROPE: Delay in sugar beet sowing could impact yields in Benelux**

A delay in sugar beet sowing and slow progress of the campaign may have a negative impact on yield potentials in the Benelux region, according to the latest JRC MARS European crop monitoring bulletin released on May 23, reports Sugaronline.

In the Netherlands and Belgium, 60% and 40% of planned areas were sown by the end of April, respectively. The campaign has extended well into May in these countries, making the current season significantly delayed in comparison with an average season.

"Such significant delays are expected to have a negative impact on yield potentials. The extended sowing times resulted in uneven crop development across the regions. However, the emergence was generally good," according to the report.

The sugar beet sowing campaign in the Benelux region has been the latest one since 2001.

"Emergence has been fair but a yield penalty seems unavoidable, as canopy closure will be too late to optimally benefit from the long days in June."

Sugar beet sowing was also delayed in France, Germany and Poland, due to wet conditions and below-average temperatures.

In France, about 90% of fields were sown by the end of April, profiting from more favorable rainfall distribution during the second half of the month.

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In Germany and Poland, after the slow start of the campaign, sowing accelerated during the second half of April, and was concluded by the end of the month, with two weeks of delay as compared with an average season.

In these countries, the development stage of plants varies widely. Soil moisture conditions were generally favourable for early development of seedlings. However, below-average temperatures and solar radiation weren't favorable for early development. "Aphid infections have already been reported in several regions, and require careful monitoring and control," according to the report.

In north-eastern Austria and Czechia, wet soils in April hampered field operations. Since the second half of April, more evenly distributed precipitation has been favorable for sowing.

In Hungary, sowing was almost finalized after the delayed campaign, while in Turkey, the campaign was concluded with some delays due to overly wet conditions in April.

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## FoodNavigator.Com

### UK government sets out to revamp wine regulations



The UK government will 'scrap retained EU red tape on wine to unlock £180m' via proposed changes to regulations for the production and marketing of wine in the country.

<https://www.foodnavigator.com/article/2023/05/25/uk-sets-out-to-revamp-post-brexit-wine-regulations>

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## ED & Man Daily Reserach

**Suedzucker sticks to profit rise forecast as sugar stays high** - Reuters - Europe's largest sugar producer Suedzucker on Thursday confirmed its forecast for a strong rise in profits in its new fiscal year based on sustained high prices after a surge in earnings the previous year. Suedzucker in a statement reaffirmed its forecast for 2023/24 operating profit for the year starting March 1 of between 725 and 875 million euros (\$963.20 to \$798.08 million). In the fiscal year to end February, its profit rose by about 112% to 704 million euros.

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## Sugaronline Ebriefing

### GERMANY: Beneo launches sugar-reduction ingredient

Beneo announced on May 23 the launch of an ingredient able to replace sugar and add dietary fibre in food products, reports Sugaronline.

The new ingredient Beneo-scl85 is a short-chain fructooligosaccharide (scFOS), a fibre derived from beet sugar that offers a mild sweet taste, good solubility and natural credentials that can contribute to improved taste and texture, according to a statement released by Beneo.

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"Using scFOS means replacing sugar while adding dietary fibre. This in turn improves the nutritional profile of a product, allowing manufacturers to achieve a better score for front-of-pack nutrition labelling systems worldwide, e.g. NutriScore in Europe," the company said.

Produced in Germany in a dedicated production facility, the new ingredient is available for Beneo's customers globally to buy now as a syrup.

"Short chain fructooligosaccharide from beet sugar is a valuable addition to Beneo's portfolio because it increases flexibility and availability for our customers. In combination with the increased production capacity of our chicory root fibre production plant in Chile, Beneo's short-chain fructooligosaccharide will further secure supply to meet the high demand for solutions to reduce sugar," said Eric Neven, Commercial Managing Director for Beneo's Functional Fibres.

### **PAKISTAN: Sugar exports reach 212,896 T in 2023**

Pakistan exported 212,896 metric tonnes of sugar so far in the 2023 financial year, compared to no exports in the same period last year, according to Dawn.

Pakistan's government allowed sugar exports from February, responding to the demands of coalition partners.

In February, 42,434 tonnes of sugar was exported by the country. In March, the volume of sugar exports tripled to 129,746 tonnes, and in April, it reached 40,716 tonnes.

### **GERMANY: Südzucker's revenues rise 25% in 2022/23**

Südzucker's revenues for the 2022/23 fiscal year increased by about 25% to EUR9.5 billion (US\$10.2 billion), with results of the sugar segment back to positive after four years of losses, the company said in its final earnings report released on May 25, reports Sugaronline.

Südzucker had already released preliminary results for the 2022/23 fiscal year in mid-April.

The company's EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 54.6% to EUR1.07 billion (US\$1.15 billion).

Operating results more than doubled, reaching EUR704 million (US\$754.9 million).

Revenues of the sugar segment rose to EUR3.2 billion (US\$3.4 billion) from EUR2.6 billion (US\$2.8 billion) in the previous year. The sector had an operating result of EUR230 million (US\$246.6 million), compared to a negative result of EUR21 million (US\$22.5 million) in the previous year.

Higher costs of raw material, energy and packaging costs, and lower capacity utilization due to the poor harvest impacted the sugar segment. "In the third quarter of 2022/23, the development was partly favored by the sale of sugar inventories from the 2021 campaign at the beginning of the new sugar marketing year."

### **US: Delta Biofuel announces investment in sugarcane pellet production facility**

Delta Biofuel has announced a US\$100 million investment decision for the construction of a renewable fuel production facility in Iberia Parish, in Louisiana, that will convert sugarcane waste into pellets for energy generation, according to a statement released by the Governors' Office, reports Sugaronline.

The facility will be the first of its kind in North America to use sugarcane bagasse to manufacture biomass fuel pellets on a commercial scale, according to the Louisiana state government.

The total capital expenditure is 43% higher than the US\$70 million investment that was anticipated when the project was first proposed in 2021, due to increased labor and equipment costs, as well as Delta's decision to increase the facility's production capacity.

The company is expected to create 126 new direct jobs. Louisiana Economic Development estimates the project will result in an additional 149 indirect jobs, for a total 275 new jobs in the Acadiana region.

The facility will have the capacity to produce 340,000 metric tonnes of biomass fuel pellets annually once completed.

"Delta is thrilled to reach this milestone and begin construction," Delta Biofuel CEO Phil Keating said. "We look forward to putting waste bagasse to good use, solving a serious problem for the sugar industry and reducing GHG emissions."

Delta Biofuel has secured exclusive long-term agreements to acquire supplies of feedstock bagasse from five sugar mills in surrounding parishes. The company has long-term contracts primarily with power utility companies across Europe to sell more than 1.8 million tonnes of pellets over the next several years.

The company received an incentive package from the state government, including a US\$1 million performance-based grant for infrastructure improvements. The company has also been approved for the state's Industrial Tax Exemption program and has applied for the Quality Jobs program.

**BRAZIL: Sugarcane productivity in CS rises 18.5% in 2023/24 – CTC**

Sugarcane productivity in Brazil's centre-south increased by 18.5% in the 2023/24 season, which started in April, per estimates of the Centro de Tecnologia Canavieira (CTC), according to Broadcast Agro.

Sugarcane productivity in April increased to 83.7 tonnes per hectare from 70.6 t/ha in 2022/23.

The increase in productivity is related to above-average rainfall and indicates that sugar mills are working with younger sugarcane fields.

The highest increases in productivity were found in Paraná (60%), in the Araçatuba region (+33.6%) and in Mato Grosso do Sul (+29%).

